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ANNUAL REPORT
OF THE
DEPARTMENT OF LABOR AND INDUSTRY

TO THE
GOVERNOR OF MONTANA
HONORABLE FORREST H. ANDERSON

FOR THE
FISCAL YEAR ENDED
JUNE 30, 1971

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Honorable Forrest H. Anderson
Governor
State of Montana
Helena, Montana 59601

Dear Governor Anderson:

This annual report is in accordance with the requirements of Section 82-4002, R. C. M. 1947. The report is for the Department of Labor and Industry for the fiscal year ended June 30, 1971.

Major accomplishments during the year included:

Combining Highway Contract Labor and Equal Employment requirements with the Prevailing Wage requirements of this department.

Mediation and conciliation of labor problems in both the private and public sector.

Securing new legislation effective July 1, 1971, setting a minimum wage in Montana.

Recommendations to achieve better administration:

Legislation setting up legal authority to mediate and conciliate labor disputes, a State Labor Relations Act.

Respectfully submitted,

(Signed)

Sidney T. Smith
Commissioner of Labor

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PRINCIPAL OFFICERS AND OFFICE

PRINCIPAL OFFICERS

Sidney T. Smith.....Commissioner

Tony Softich.....Assistant Commissioner

Richard A. Michels.....Deputy Director Apprenticeship

Peter St. Marks.....E.E.O. Compliance (Highway)

Frank Hays.....Labor Compliance (Highway)

PRINCIPAL OFFICE

1331 Helena Avenue.....Helena, Montana 59601

LEGAL REFERENCES

Title 41, Chapter 16, R. C. M. 1947, created the Department of Labor and Industry, and Sections 41-101 through 41-2209, R. C. M. 1947, relate to the operation of the department.

Title 99-104, Chapter 1, R. C. M. 1947, make the Commissioner of Labor and Industry an ex-officio member of the Industrial Accident Board.

Title 63, Chapter 3, R. C. M. 1947, enacted legislation providing for implementation of Civil Rights, and by executive directive the enforcement of this Act was assigned to the Department of Labor and Industry.

Inter-Agency Agreement between the Montana Highway Commission and the Montana Department of Labor and Industry, dated June 4, 1970.

PRINCIPAL GOALS

The Department of Labor and Industry is charged with the duty of enforcing all laws of Montana relating to hours of labor, conditions of labor, prosecution of employers who default in payment of wages, and protection of the employees. This department enforces all laws relating to child labor, regulating the employment of children in any manner, and to administering the laws of the state relating to fees of employment offices.

The above is broad in scope, in delegating the authority to enforce and administer labor laws to the Department of Labor and Industry.

Re-organization has brought under the Department of Labor, the major functions that had been administrated by several agencies. In the future the department should be able to offer better co-ordinated service to industry, labor and the public, in administering Labor Standards, Employment Security, Workmens Compensation, and Safety.

MAJOR ACCOMPLISHMENTS

1. Agreement with Highway Commission for the Department of Labor and Industry to administer the Contract Compliance requirements of the Federal Highway Administration.
2. Mediation, conciliation, and labor relations in the public and private sectors.
3. Re-organization of Labor and Industry Department.

MAJOR ACCOMPLISHMENTS DESCRIBED

1. AGREEMENT WITH THE HIGHWAY COMMISSION:

This agreement has combined the enforcement of the Highway Department's Labor Compliance Section with the Department of Labor's Prevailing Wage Act in order to do away with duplication of each department's enforcing of the same standards with two (2) field forces, and the necessary office personnel in each department.

The Equal Employment requirements are also combined under the same agreement, and Contract Compliance required under both Federal and State law is now accomplished with one (1) field and office force instead of two (2).

2. MEDIATION, CONCILIATION, AND LABOR RELATIONS:

Mediation, conciliation, and other labor relations are becoming a major problem, and Montana has no statutes setting up machinery to handle these problems. This department has been used by both the private and public sectors on a voluntary basis to help solve some of these serious labor relations problems. We offer the services of this office, and only if both sides request us to aid them in settling labor or election problems. This has become a very important function of this department.

3. RE-ORGANIZATION:

Re-organization of the Labor and Industry Department has been set up by the last legislature, and when Governor Anderson implements the new department it will be a giant step forward.

MAJOR RECOMMENDATIONS

Montana must have legislation setting up authority for this department to keep the economy moving in times of labor unrest. We recommend that the next legislature be asked to enact a Montana Labor Relations Act. This Department should present a model of such acts as passed by other States, for consideration of the next legislature.

PROGRAM DESCRIPTIONS

The Department of Labor and Industry created by the thirty-second Legislative Assembly upon a favorable acceptance by referendum to the voters of the 1950 election, imposing a responsibility upon the Commissioner of Labor and Industry to formulate policies and general supervision and enforcement of Labor Laws.

The department through the Press, Radio, T. V., Conferences, and other means of dissemination of information keeps employers, employees, and the public informed of any enacted legislation involving Industry and Labor; and recommends legislation for the welfare and betterment of the laboring industries in Montana.

Major legislation enacted the past fiscal year, was the establishment of a minimum wage and hour law, equal employment practices for women, the inclusion of sex in our anti-discrimination law, and improvements in unemployment compensation and industrial accident benefits.

The State of Montana is sorely in need of legislation in the field of Child Labor. Marginal employers exploit our youth under eighteen (18) years of age, employing them in hazardous occupations, some resulting in permanent disablement.

Every minor under the age of nineteen (19) is required to obtain an Age Certificate each time they become employed, thereby creating an excessive cost to the State of Montana, whereas one (1) certificate could be issued until their majority is reached.

PROGRAM DESCRIPTIONS

Many thousands of dollars are lost by employees who are being engaged by irresponsible employers who have neither sufficient assets or financial resources to remain in business, where upon they leave the State or seek bankruptcy, creating hardships to employees and loss of income to the State of Montana.

Legislation should be enacted requiring employers to post a Surety Bond to cover wages and taxes due the people of Montana.

One of the most perplexing problems confronting the people of the United States, is the Civil Rights Act enacted by Congress in 1964.

Although Montana is not effected to the extent that other states, particularly the Eastern, Midwest or Southern States, we do have a problem, as our largest minority populous, the Indian, is not readily accepted in private employment not under interstate commerce or federal aid contracts.

Although Montana does have a statute on Civil Rights, it is mostly aimed at accommodations rather than employment, and we should become more concerned before the Federal Government imposes a program such as the Philadelphia Plan or other so called "Hometown Plans".

Another area that should be given closer scrutiny is unfair labor practices, whereby employees are being discriminated and terminated by the mere whim of an employer, and particularly where our older citizens have only a short period of time to qualify for retirement in both public and private employment, and are deprived of the right to obtain some measure of security.

PROGRAM DESCRIPTIONS

There is a great need for the establishment of a Labor Relations Act, as thousands of our citizens do not come under the coverage of the National Labor Relations Act, as to qualify, it requires an enterprize of \$500,000.00 or a minimum of twenty-five (25) employees.

During the past fiscal year the Federal Administration suspended the Davis Bacon Act, which effected the construction Industry and had it not been for Montana's Prevailing Wage Act, Section 41-701, R. C. M. 1947, as amended, chaos would have resulted in the construction industry, by work stoppages and to the determent of our Montana Contractors.

Four hundred seventy-six (476) Wage Claims were filed with our office this fiscal year, in the amount of \$121,840.12, of which two hundred eighty-four (284) were collected, in the amount of \$54,408.71.

There were eighty-three (83) claims that had no justification, which amounted to \$42,817.80, and thirty-one (31) claims that the employer left the State or took out bankruptcy, which amounted to \$11,267.41.

Forty-six (46) hearings were conducted on claims filed, and seventy-eight (78) claims are pending, in an amount of \$13,346.20.

Our department administers the Labor Compliance Division and Equal Employment Opportunities for the Montana Highway Commission.

In Labor Compliance Division, we participated in seventy (70) Pre Construction Conferences, and conducted 102 Field Inspections, and audited the payrolls on all heavy and highway construction projects to ascertain compliance of predetermined wages as provided by the Davis Bacon, and other related Acts, as required by Federal Highway Administration of the U. S. Department of Transportation.

PROGRAM DESCRIPTIONS

In the E. E. O. Division, seventy (70) Pre Construction Conferences were attended, and eighty (80) Field Inspections were made.

In an effort to find availability of minority employees, all seven (7) Indian Reservations were visited during the year, as well as the following training centers; Kicking Horse, Anaconda Job Corp, and the Missoula Vo-Tech.

Liason has been established between our office and the Job Corp Regional Director, to secure competent journeymen of various crafts as training officers of corps located in Montana.

We conducted meetings between the Bureau of Indian Affairs and the Employment Security Commission to iron out difficulties in the employment of Indians.

During the fiscal year, twenty-three (23) Training Programs have been submitted, of which twenty-two (22) programs have been approved, resulting in the training employment of forty (40) under privileged or minority workers, in heavy and highway construction.

APPRENTICESHIP COUNCIL

MAJOR ACCOMPLISHMENTS

PRIORITY	DESCRIPTION
1.	Provide approval, program and training outline for Veterans Apprenticeship and On-Job-Training.
2.	Increase in the total number of apprentices and trainees in the last three (3) years.
3.	Institute a working program to provide equal employment opportunity for minorities in apprenticeship and training.

MAJOR ACCOMPLISHMENTS DESCRIBED

1. Since the concept of Public Law 9-77, enacted in January 1968, the Montana State Apprenticeship Council has approved 1112 Montana Veterans for V. A. Benefits through apprenticeship and On-Job-Training programs. This department has made a concentrated effort to promote the hiring of Veterans for apprenticeship and training to the Montana Employer.
2. January 1, 1968 the Montana State Apprenticeship Council started the year with 697 registered apprentices. This number has increased to 1137 registered apprentices and trainees, effective September 30, 1971.
3. The Montana State Apprenticeship Council enacted a "Montana Plan" to comply with the Federal Law Title 29, CFR Part 30, dealing with non-discrimination and equal employment opportunity in apprenticeship. This plan outlines the selection procedure, affirmative action to include minorities and goals in which the various Joint Apprenticeship and Training Committees must adhere to in order to comply with the Law. The plan also sets forth the percentages of minorities that a program must include to be in compliance.

PRINCIPAL GOALS

1. Make all policies in apprenticeship programs as set forth in Montana Apprenticeship Law 1941, and as set forth by the Federal Committee on Apprenticeship.
2. Assisting and approving all apprenticeship Standards.
3. Approval of Business establishments for apprentices and trainees.
4. Registration and permanent record file on all apprentices and trainees.
5. Arrange all related classroom instruction through the Department of Public Instruction.
6. Re-inspect all apprentice work and pay records every six (6) months.
7. Issue Completion Certificates or diplomas to apprentices.
8. Approve employment of apprentices under the Davis Bacon Act for Federally assisted projects.
9. Certify apprentices and program to Selective Service for Draft deferment.
10. Provide approval data to the Veterans Administration for Veterans On-Job-Training or Apprenticeship.

PROGRAM COST SUMMARY

ALL SECTIONS

1970 - 1971

Labor Department.....\$36,028.00

Apprenticeship..... 31,507.00

Highway Labor Compliance..... 50,366.00 (Highway Funds)

Highway E.E.O. Compliance..... 35,459.00 (Highway Funds)

